

Report on the activities of the Audit Committee for 2022

of Colt CZ Group SE, having its registered office at Opletalova 1284/37, Nové Město, 110 00 Prague 1, Identification No. (IČO): 291 51 961, registered in the Commercial Register kept by the Municipal Court in Prague, section H, file 962 (the “**Company**”)

The Audit Committee has been established in connection with the fact that Colt CZ Group SE became a public-interest entity upon a share issue in a public market in 2020. The work of the Audit Committee relies on REGULATION (EU) No 537/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 16 April 2014, and DIRECTIVE 2006/43/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 May 2006.

In compliance with Sections 44 through 44aa of Act No. 93/2009 Coll., on auditors, as amended (the “**Act on Auditors**”), and in compliance with Article 24.5 of the Company’s Articles of Association, the Audit Committee prepares a report on its activities, in which it assesses its work in relation to the activities under the Act on Auditors. The work of the Audit Committee covers several areas:

- ▶ interacting with the Company’s governing and/or supervisory body, i.e. the Board of Directors and the Supervisory Board;
- ▶ monitoring the independence of the auditor, including permitted non-auditing services and their limit of 70%;
- ▶ selecting the auditor;
- ▶ monitoring the mandatory audit procedure;
- ▶ monitoring the internal accounting reporting procedure.

Of the topics listed above, only the selection of the auditor was irrelevant in 2022. The Audit Committee issued a plan of its work for 2022, and then progressively fulfilled individual tasks contained in the plan.

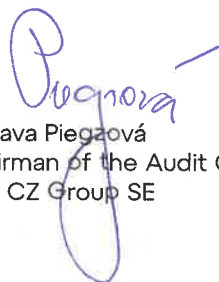
The Audit Committee held fourteen meetings in 2022, of which three meetings were with representatives of the Company’s Board of Directors and two meetings with the participation of the auditor, one of which involved discussion regarding the 2021 audit findings. The Audit Committee’s meetings and audit work in the Company related to quarterly consolidated results, the introduction of an internal control system and group-wide governance, cybersecurity, drafting an ESG report, and integrity of the presented consolidated results with individual results of the subsidiaries within the group.

While reviewing the quarterly financial statements, the Audit Committee checked the stock taking within the group and in this context also the creation of adjustments in respect of unusable and non-moving inventory, the state of receivables and payables, creation of provisions and estimated items, derivative operations, the test of decrease in the value of intangible assets, etc.

The Audit Committee also

- ▶ ascertained how the auditor's findings and recommendations from the previous audit of the annual financial statements were applied;
- ▶ informed the Supervisory Board about the results of the statutory audit and its findings derived from the monitoring of the statutory audit process, and about how the statutory audit contributed to the integrity of the bookkeeping and financial reporting system;
- ▶ assessed the independence of the statutory auditor and audit company and their performance of non-auditing services to the Company, and approved the performance of other non-auditing services by the company performing the statutory audit.

Prague, date 18 April 2023



Věslava Piegžová
Chairman of the Audit Committee
Colt CZ Group SE